Brussels, 16.12.2010
COM(2010) 775 final
2010/0373 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing technical requirements for credit transfers and direct debits in euros and
amending Regulation (EC) No 924/2009

(Text with EEA relevance)

SEC(2010) 1583 final
SEC(2010) 1584 final
SEC(2010) 1585 final
EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Grounds for and objectives of the proposal

The present proposal has to be seen in the context of the creation of an Internal Market for payment services in euro (Single Euro Payments Area or SEPA) where there is effective competition and no difference of regime between cross-border and national payments, thereby providing significant savings and benefits to the wider European economy. SEPA will provide European citizens and businesses with competitively-priced, user-friendly and reliable payment services in euros, and will provide a platform for the development of payments-related innovation.

Although strongly supported by both the European Commission and the European Central Bank, SEPA was originally conceived as a primarily market-driven project. Union-wide schemes for credit transfers and direct debits were designed and implemented by the European Payments Council (EPC), a coordination and decision making body set up by the European banking sector to deliver SEPA. However, given the current slow rates of migration, there is increasing recognition by all categories of stakeholders that a legally binding end-date may be necessary to achieve successful project completion.

Full integration of the payment market will only be achieved once Union-wide payment instruments replace completely the national legacy instruments. In order to achieve this goal, migration end dates for credit transfers and direct debits in euro are set up through this Regulation.

General context

On 28 January 2008, the SEPA Credit Transfer (SCT) was launched. Almost two years later, on 2 November 2009, the launch of the SEPA Direct Debit (SDD) marked the second crucial milestone on the way towards the realisation of SEPA through Union-wide schemes.

Secure and efficient payment systems are crucial to the conduct of economic transactions and to the proper functioning of the Internal Market. The euro as a common currency has facilitated cash payments between the Member States since 2002. However, electronic Union-wide payment instruments are still far from replacing national payments for a variety of reasons. The prevailing market uncertainty, the generally difficult economic climate, the disadvantages for first movers in a network business, the perceived lack of legal certainty on an appropriate long term business model for SDD complying fully with EU competition rules and the duplicate costs of operating both SEPA and legacy payment systems have led many market players, especially on the supply side to call for EU legislation setting an end-date for moving to SEPA. Two Resolutions of the European Parliament\(^1\) have also stressed the need and advantages of a migration end date as have the ECOFIN Council conclusions\(^2\) which invited the Commission in close collaboration with the ECB to carry out a thorough assessment. Under Article 127 of the Treaty on the Functioning of the European Union, the

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ECB (ESCB) has as a basic task to promote the smooth operation of payment systems. In this context, the ECB has played an important role in providing guidance to the market to develop SEPA.

Two years after the launch of the SEPA credit transfer, the number of SEPA credit transfers processed by clearing and settlement mechanisms located in the euro area has not yet reached the 10% threshold. A linear extrapolation of the current SCT migration rate of 9.3% (as of August 2010), suggests that it will take around 30 years to complete SEPA. Even in a more optimistic scenario, it seems very unlikely that SEPA migration will be completed in less than 15–20 years without additional legislative intervention. This inertia substantially delays SEPA migration and as a result could greatly reduce the direct and indirect potential benefits of SEPA for the wider European economy. Although SEPA migration will require users, including citizens and small and medium sized companies, to changeover to a common Union-wide bank account numbering based on IBAN and BIC, the transition will be facilitated by industry through specific information efforts, the incorporation of IBAN and BIC on account statements and on payment cards as well as automatic conversion facilities.

Existing provisions in the area of the proposal

This initiative will complement the existing legal framework for payment services within the EU.

On 1 November 2009, Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community replaced Regulation (EC) No 2560/2001. This Regulation had in effect reduced charges for cross-border payment transactions in euro up to EUR 50 000 to the level of national charges and encouraged the European payments industry to build the Union-wide payments infrastructure needed to create SEPA.

Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market (the so called ‘Payment Services Directive’ or PSD) aims to establish standardised conditions and rights for payment services offered in the market for the benefit of consumers and companies across the Union and provides a harmonised legal basis for SEPA.

Consistency with the other policies and objectives of the Union

The objectives of the proposal are consistent with the policies and objectives pursued by the Union. First, they will improve the functioning of the internal market for payment services. Second, they broadly support other Union policies, in particular consumer policy (by facilitating secure, Union-wide payment systems), and competition policy (by establishing equal obligations, rights and opportunities for all market players and facilitating cross-border provision of payment services, thus increasing the level of competition). The impact assessment accompanying this proposal concluded that only a rapid and comprehensive migration to Union-wide credit transfers and direct debits would generate the full benefits of

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4 OJ L 266, 9.10.2009, p. 11.

an integrated payments market. Market forces and self regulatory efforts have proven not to be sufficient to drive concerted migration to SEPA. By facilitating economic transactions within the Union, they also contribute to the attainment of the wider objectives of the EU 2020 strategy⁶.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

Consultation of interested parties

Consultation methods, main sectors targeted and general profile of respondents

The Directorate-General Internal Market and Services held a public stakeholder consultation on whether and how deadlines should be set for the migration of existing national credit transfers and direct debits to the new SEPA payment instruments between June and August 2009 and published its results in September 2009. A summary of the consultation has been published on the DG’s website⁷.

Several consultations on SEPA have been made, on an annual basis, through the European Business Test Panel. The last consultation was held in the second half of 2009 and more than 400 enterprises responded. These were composed of 85% SMEs and 15% larger corporations. The 2009 consultation included questions on phasing out legacy payment instruments and setting a SEPA migration end-date.

Moreover, discussions with the banking industry on the SEPA Direct Debit business model have been ongoing for some time. These discussions focused on the issue of multilateral interchange fees (MIF)⁸ and led to the adoption of transitional provisions on MIF in Regulation (EC) No 924/2009. Nonetheless, exchanges of opinions continued as the long term business model for SDD had not been determined by the industry. In order to provide guidance to the banks, the Commission and the ECB issued a joint statement in March 2009, followed by a Commission Working Document in November 2009⁹. A public consultation on this document has been completed in December 2009. Furthermore, a questionnaire was sent to selected banks by the Commission services in December 2009–January 2010. It focused on the specific issue of duplicate costs incurred by individual payment service providers for running payment systems and processes (payment platforms) for existing national payments and new Union-wide SEPA payments in parallel. For this purpose, nineteen of the largest banks or banking groups in Europe, representing a mix of commercial, savings, and cooperative banks from nine countries, were selected. A similar survey was sent out to payment processors and to payment service users (mostly businesses), but did not yield a sufficient response rate for analysis.

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⁶ In connection with the EU 2020 strategy, this proposal has been identified as one of the key initiatives of the Digital Agenda adopted by the Commission in May 2010, http://ec.europa.eu/information_society/digital-agenda/documents/digital-agenda-communication-en.pdf.
⁸ Multilateral interchange fee is the amount paid by a payment service provider of the payee to the payment service provider of the payer as a remuneration for each direct debit transaction.
⁹ For more information and full texts of these documents, see http://ec.europa.eu/competition/sectors/financial_services/banking.html.
Discussions and exchanges of opinions were held between 2008 and 2010 with Member States, financial institutions, consumer organisations and other social and economic partners, notably through the existing consultative committees on retail payments: the Payment Systems Market Expert Group (PSMEG), the Payments Committee (PC) and the EU Forum of national SEPA Coordination Committees.

Discussions, responses and written contributions provided by the stakeholders served as a basis for the analysis presented in two Commission documents: the Impact Assessment accompanying this proposal and a working paper made available to the public on the Commission website for comments between 7 and 23 June 2010. This paper provided for a number of issues which would have to be covered when setting mandatory end-dates for both credit transfers and direct debits.

Summary of responses and how they have been taken into account

There was a broad support among all stakeholders for fixing deadlines for the full migration to SEPA by EU binding regulation: only legislation at the level of the Union can provide the impetus for widespread use of Union-wide credit transfers and direct debits. It was argued that SEPA instruments should not only complement but replace existing legacy instruments.

While the majority of the stakeholders supported the approach of fixing two separate deadlines for migration of credit transfers and direct debits, some of them favoured a single migration end-date for both payment services. Furthermore, the supply side and some of the users strongly advocated for longer migration periods in particular for direct debits.

In particular, in the light of the responses received to the consultation as well as other industry representations, a final public hearing was held by the Commission on 17 November to address two important issues. These were: first, whether the Regulation should mandate directly the payment schemes as developed by the payments industry instead of using an approach based on mandatory technical requirements; and second, whether in the interests of clarity, specific legal provisions should be included regarding an appropriate long-term business model for direct debits.

As a result of the intense consultation, it has been concluded that a mixed approach consisting of setting common standards and general technical requirements, is the most appropriate for defining Union-wide payment instruments. These technical requirements should apply to the whole payment service transaction chain, from payment user to payment user through their respective payment service providers. This ensures the reaping of all SEPA benefits which are generated on the demand (payment service user) side of the market. However, the supply side asked for the use of the existing SEPA schemes developed by the European banking industry.

A large number of stakeholders welcomed the proposal for Member States to exempt specific national payment products fulfilling certain conditions (e.g. domestic transactions, market share below a threshold) for a limited time after which all legacy products would have to be phased out. Others would have preferred a permanent exemption in order to continue using such specific products. Responses to the consultation also consistently confirmed that there is a strong need to clarify the validity of a long-term business model for direct debits which complies with EU competition rules.

Collection and use of expertise
A comprehensive study of the costs and benefits of SEPA migration was commissioned from Cap Gemini Consulting and its results published in January 2008.

Moreover, in August 2008, the Commission has published a study commissioned from Van Dijk Consultants, with a view to preparing the monitoring of the impact of SEPA on consumers.

**Impact assessment**

The Commission carried out an impact assessment listed in the Work Programme. This impact assessment has been prepared in close cooperation with the ECB.

The impact assessment discusses the issue of slow migration to SEPA credit transfer (SCT) and SEPA direct debit (SDD), resulting in coexistence of national legacy instruments and SEPA payments. It identifies the root cause of slow migration progress: uncertainty about the completion of SEPA and co-related problem drivers, such as the lack of incentives to develop SEPA products fully meeting user needs, reluctance to invest because of the disadvantage of being a 'first mover' and a fragmented demand side with a low level of SEPA awareness. It also lists the effects of slow migration. At the 'micro' level, multiple payment platforms need to be maintained by the market players on the supply and demand side, which results in duplicate operational costs for maintaining those systems and negative returns on SEPA investments. At the 'macro' level continuation of national fragmentation in the EU market leads to untapped economies of scale, restricts competition and hinders innovation.

The impact assessment considers three scenarios: no intervention, additional incentives for SEPA migration without setting an end-date and the impacts of setting a migration end-date. It concludes that the best scenario for the Union payments market, the European economy and the stakeholders is setting an end-date for migration by way of a Regulation.

Subsequently, the impact assessment considers the best ways of implementing the end-date at the technical level, by discussing policy sub-options for the end-date implementation in several areas.

**Reference basis for adopting Union-wide credit transfers and direct debits.** The recommended option is to establish an end-date on the basis of general technical requirements i.e. requirements, which need to be fulfilled by Union-wide credit transfers and direct debits. The technical requirements will include the existing international and European standards.

**Transaction domain.** It is recommended to follow an approach whereby the technical requirements defined by an end-date would apply throughout the whole payment transaction domain i.e. for the customer-to-payment service provider and payment service provider-to-customer domain on top of the payment service provider-to-payment service provider domain. An estimated EUR 84 billion of operational savings on the demand side depends entirely on payment market integration extending beyond the inter-bank space.

**Product specification.** It is recommended to apply an end-date for niche products too i.e. credit transfers and direct debits which represent low-volume payments and offer specific functionalities. However, in order to allow for the necessary adaptations in the SCT and SDD schemes, a transitional period in the range of 3–5 years will be provided for.

**Member States scope.** It is recommended to pursue the option with a common end-date for the euro area and a later common end-date for the non-euro area. As euro payment volume shares...
in non-euro area represent only an estimated 2% of all euro payments, quick and full migration of non-euro Member States is not essential to the success of SEPA.

**Deadline for migration.** It is recommended to pursue the sub-option of separate end-dates: one year after entry into force of the Regulation at the latest for credit transfers and two years for direct debits. In practical terms, the adoption delay means that the stakeholders will have approximately 30 months to prepare for migration to SCT and 42 months to migrate to SDD from the date of adoption of the Commission proposal.

**Clarity on the long term business model for pan-European direct debits.** It is recommended to prohibit the general application to every direct debit transaction of multi-lateral interchange fees (MIFs) between payment service providers (and measures of equivalent object or effect). Nevertheless, MIFs would be allowed under certain conditions for direct debit transactions which cannot be properly executed or which are being reclaimed by a payment service provider.

### 3. Legal Elements of the Proposal

**Summary of the proposed action**

The proposal for setting technical requirements for credit transfers and direct debits is aimed at:

- setting up separate migration end-dates for credit transfers and direct debits respectively, by introducing a set of common standards and general technical requirements

- ensuring reachability of payment service providers for credit transfer transactions, along the lines of the reachability obligation for direct debit transactions under Article 8(1) of Regulation (EC) No 924/2009 and interoperability of payment systems.

**Legal basis**

Article 114(1) of the Treaty on the functioning of the EU.

**Subsidiarity principle**

The subsidiarity principle applies insofar as the proposal does not fall under the exclusive competence of the Union.

The objectives of the proposal cannot be sufficiently achieved by the Member States for the following reason(s):

At this stage, national migration plans to SEPA exist in almost all Member States. While all these plans support SEPA migration, only a few aim for systematic and full replacement of legacy payment instruments by a given deadline. The target dates set by stakeholders at national levels are at variance across Member States. In the absence of a common target date at Union level, the lack of coordination among Member States as well as among stakeholders will at best create difficulties in the transition to SEPA or at worst a deadlock preventing effective migration. Moreover, the target dates set are often contingent on other conditions.
These plans therefore do not provide sufficient momentum for swift and comprehensive migration to SEPA, and are also not coordinated between Member States.

Action at the level of the Union will better achieve the objectives of the proposal for the following reason(s):

By its nature an integrated euro payments market requires a Union-wide approach as the underlying standards, rules and processes have to be consistent across all Member States. This supports the aim of Article 3 of the Treaty on the European Union which provides for an internal market and an economic and monetary union whose currency is the euro. Only a European approach, co-ordinated on the supply and demand side can unlock the full potential of the network benefits. The alternative to a Union-wide approach would be a system of multilateral or bilateral agreements whose complexity and costs would be prohibitive as compared to legislation at the level of the Union. Intervention at the level of the Union would therefore be consistent with the subsidiarity principle.

The proposal therefore complies with the subsidiarity principle.

**Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s):

The proposal does not go beyond what is strictly necessary to achieve its objectives.

All of the proposed rules have been subject to a proportionality test and intensive consultation to ensure appropriate and proportionate regulation.

The proposal aims to minimise the impact of changes on all stakeholders. The technical requirements listed in the annex to the Regulation have been constructed in such a way that they allow for the application of the current existing Union-wide schemes without restricting flexibility and innovation.

Furthermore, the proposal allows Member States to decide on the appointment of the competent authorities so they can use the existing administrative structures and bodies, if they wish, to reduce their costs.

**Choice of instruments**

Proposed instruments: Regulation.

Other means would not be adequate for the following reason(s):

Setting an end-date for migration to Union-wide credit transfers and direct debits requires standardisation at technical level and the fullest possible harmonisation. This argues in favour of a Regulation rather than a Directive. Furthermore, due to the network character of the payment industry, most of the benefits of SEPA will only materialise once the domestic transition to Union-wide payment instruments is completed in all EU Member States. A Directive with potentially differing national implementations runs the risk of perpetuating the current payment market fragmentation. Finally, it would delay migration due to the time necessary for national transposition. It is therefore recommended to use the legal instrument of a Regulation for setting a SEPA migration end-date.
4. **Budgetary Implication**

Leaving aside the normal administrative costs linked to ensuring the respect of EU legislation, there will be no budgetary impact since no new committees are created and no financial commitments are made. However, the Commission is also a significant user of payment services in its own right and therefore should benefit, along with other users, from enhanced competition generated by SEPA.

5. **Additional Information**

**Simplification**

The proposal seeks to simplify the legislation as Article 3 consolidates the reachability provision for direct debits as defined under Regulation 924/2009 and a similar reachability provision for credit transfers under a single provision. Simplifying payments handling will have beneficial effects for stakeholders, including public administrations, businesses and private individuals.

Since this Regulation will reduce fragmentation along national barriers and foster competition in the European payments market, it will contribute to the simplification of payment processes.

For example, public administrations as heavy users of payment instruments should benefit from SEPA because it simplifies their payment processes and allows more efficient 'straight-through' processing of payments. Public tendering of payment services at Union level should become easier, since the number of potential Payment service providers would increase, their offers could be better compared and inefficiencies caused by national payment formats should disappear. The combination of e-invoicing solutions and SEPA as an underlying payment platform would also facilitate the automatic reconciliation of invoices and payments.

Similarly for consumers, who are becoming increasingly mobile in professional and private terms standardised cross-border payments would eliminate the need to maintain several payment accounts in different countries.

For payment service providers and payment processors, economies of scale and common standards achieved under SEPA would make payments across the Union much more efficient.

**Repeal of existing legislation**

The adoption of the proposal entails the repeal of Article 8 of Regulation (EC) 924/2009 on reachability for direct debit transactions. For reasons of transparency and simplification, the substance of that article is consolidated in Article 3 of the present proposal.

**Review/revision/sunset clause**

The proposal includes a review clause.

**European Economic Area**
The proposed act concerns an EEA matter and should therefore extend to the European Economic Area.

**Detailed explanation of the proposal**

The following short summary aims to facilitate the decision making process by sketching the main substance of the Regulation.

Article 1 – subject matter and scope – states that the Regulation covers the execution of all credit transfer and direct debit transactions denominated in euros within the Union. It does not cover some types of payment transactions – such as payment card transactions, money remittance and payment transactions through means of any telecommunication, digital or IT device which do not result in a credit transfer or direct debit. To promote competition and efficiency, the Regulation should not foreclose from the market non-'traditional' payment schemes, in particular when they are based on combined schemes rules including a direct debit or credit transfer segment. Hence, the provisions of this Regulation only apply to the credit transfer or direct debit underlying the transaction.

Article 2 – definitions – aligned, as much as possible, with those used in Directive 2007/64/EC. However, given the Regulation’s limited scope in comparison with the Payment Services Directive, some of the definitions have been tailored to the needs of this proposal.

Article 3 – reachability of payment service providers for credit transfer transactions is integrated with the reachability obligation for direct debit transactions under Article 8 of Regulation (EC) No 924/2009.

Article 4 – technical interoperability – which is necessary for the smooth functioning of payment schemes and systems, so that they can interact with each other across the Union using the same standards, without technical obstacles to the processing of payments by the market players.

Article 5 and the Annex – technical requirements for credit transfer and direct debit transactions – introduce deadlines for migration to Union-wide instruments, by making certain important standards used by the payment industry mandatory and defining technical requirements applying to both payment service providers and customers.

Article 6 – interchange fees for direct debit transactions – clarifies that after 31 October 2012 multilateral interchange fees (MIFs) per transaction are not allowed for national and cross-border direct debits. It also defines general conditions for interchange fees (multilateral, bilateral and unilateral) for R-transactions, in line with the working document on the 'Applicability of Article 81 of the EC Treaty to multilateral interbank-payments in SDD' published by the Commission on 3 November 2009.

Article 7 – waiver – applies to so-called 'legacy' niche products which should also be phased out after an appropriate transitional period.

Article 8 – payment accessibility ensures that if a euro credit transfer or a euro direct debit is accepted domestically, it will also be used to and from a euro account on a cross-border basis.

Article 9 – competent authorities – empowers the competent authorities to take necessary measures to ensure compliance with the obligations laid down in this Regulation.
Article 10 – penalties – requires Member States to provide details of penalties to the Commission.

Article 11 – out-of-court complaints and redress procedures – obliges Member States to set up out-of-court redress bodies for the settlement of disputes arising under the Regulation. It also requires them to provide the Commission with information on these arrangements.

Article 12 to 15 – adoption of delegated acts – allows the technical requirements to be updated.

Article 16 – revision clause – provides for a reporting obligation accompanied, if need be, by a proposal for amendment.

Article 17 – transitional provisions – ensures that the end-dates apply to euro area Member States earlier, while non-euro area Member States are granted a transitional period, based on their limited euro payment transaction volumes.
Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing technical requirements for credit transfers and direct debits in euros and amending Regulation (EC) No 924/2009

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission\textsuperscript{10},

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee\textsuperscript{11},

Having regard to the opinion of the Committee of the Regions\textsuperscript{12},

Having regard to the opinion of the European Central Bank\textsuperscript{13},

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The creation of an integrated market for electronic payments in euros, with no basic distinction between national and cross-border payments is necessary for the proper functioning of the Internal Market. To this end, the Single Euro Payments Area (hereinafter 'SEPA') project aims to develop common Union-wide payment instruments to replace current national payment instruments. As a result of the introduction of open, common payment standards, rules and practices, and through integrated payment processing, SEPA should provide Union citizens and businesses with secure, competitively priced, user-friendly, and reliable payment services in euros. Completing SEPA should also create favourable conditions for increased competition in payment services and for the unhindered development and swift, Union-wide implementation of payments-related innovations. Consequently, as a result of improved economies of scale, increased operating efficiency and strengthened competition, electronic payment services in euros should create a best-of-breed basis downward price pressure. The effects of this should be significant, in

\textsuperscript{10} OJ C , , p.
\textsuperscript{11} OJ C , , p.
\textsuperscript{12} OJ C , , p.
\textsuperscript{13} OJ C , , p.
particular in Member States where payments are, comparatively speaking, relatively expensive. The transition to SEPA should therefore not be accompanied by overall price increases for payment service users in general and for consumers, in particular.

(2) The success of SEPA is very important economically, monetarily as well as politically. It is fully in line with the Europe 2020 strategy which aims at a smarter economy in which prosperity results from innovation and from more efficient use of available resources. Both the European Parliament through its resolutions of 12 March 2009\textsuperscript{14} and 10 March 2010\textsuperscript{15} on the implementation of SEPA and the Council in its conclusions adopted on 2 December 2009\textsuperscript{16} have underlined the importance of achieving rapid migration to SEPA.

(3) Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market\textsuperscript{17} provides a modern legal foundation for the creation of an internal market for payments for which SEPA is a fundamental element.

(4) Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001\textsuperscript{18} also provides a number of facilitating measures for the success of SEPA such as the extension of the principle of equal charges to cross-border direct debits.

(5) In addition, self-regulatory efforts of the European banking sector through the SEPA initiative have not proven sufficient to drive forward concerted migration to Union-wide schemes for credit transfers and direct debits on both the supply and demand sides. Moreover, this self-regulatory process has not been subject to appropriate governance mechanisms, which may partly explain the slow uptake on the demand side. Only rapid and comprehensive migration to Union-wide credit transfers and direct debits will generate the full benefits of an integrated payments market, so that the high costs of running both 'legacy' and SEPA products in parallel can be eliminated.

(6) Rules should therefore be laid down to cover the execution of all credit transfers and direct debit transactions denominated in euros within the Union. However, it is not appropriate at this stage to cover card transactions, since common standards for Union card payments are still under development. Money remittance, internally processed payments, large-value payment transactions between payment service providers and payments via mobile phone should not fall under the scope of those rules since these payment services are not comparable to credit transfers and direct debits.

(7) Several payment instruments currently exist, mostly for payments through the internet, which also use the international banc account number (IBAN) and the bank identifier code (BIC) and are based on credit transfers or direct debits but which have additional features. Those schemes are foreseen to expand beyond their current national borders

\textsuperscript{14} P6_TA(2009)0139
\textsuperscript{15} P7_TA(2010)0057
\textsuperscript{17} OJ L 319, 5.12.2007, p. 1.
\textsuperscript{18} OJ L 266, 9.10.2009, p. 11.
and could fulfill a consumer demand for innovative, safe and cheap payment instruments. In order not to foreclose such schemes from the market, the regulation on end dates for direct debit and credit transfer should only apply to the credit transfer or direct debit underlying the transaction.

(8) For a credit transfer to be executed, the payee’s account must be reachable. Therefore, in order to encourage the successful take-up of these payment instruments, a reachability obligation should be established Union-wide. To improve transparency, it is furthermore appropriate to consolidate that obligation and the reachability obligation for direct debits already established under Regulation (EC) No 924/2009 in one single act.

(9) Technical interoperability is a prerequisite for competition. In order to create an integrated market for electronic payments systems in euros, it is essential that the processing of credit transfers and direct debits are not hindered by technical obstacles and are carried out under a scheme whose basic rules are adhered to by a majority of payment services providers from a majority of Member States and be the same both for cross-border and for purely national credit transfer and direct debit transactions. Where more than one such scheme is developed or where there is more than one payment system for the processing of such payments, these schemes and systems should be interoperable so that all users and payment service providers can enjoy the benefits of seamless euro payments across the Union.

(10) It is crucial to identify technical requirements which unambiguously determine the features which Union-wide payment schemes to be developed under appropriate governance arrangements have to respect in order to ensure inter-operability. Such technical requirements should not restrict flexibility and innovation but should be open to and neutral towards potential new developments and improvements in the payments market. They should be designed taking into account the special characteristics of credit transfers and direct debits, in particular with regard to the data elements contained in the payment message. They should also contain, especially for direct debits, measures to strengthen the confidence of payment service users in the use of such instruments.

(11) Technical standardisation is a cornerstone for the integration of networks, such as the Union payments market. The use of standards developed by international or European standardisation bodies should be mandatory as of a given date for all relevant transactions. In the payment context, these would be the IBAN, BIC, and the financial services messaging standard 'ISO 20022 XML’. The use of those standards by all payment service providers is therefore a requirement for full interoperability throughout the Union. In particular, the mandatory use of IBAN and BIC where necessary should be promoted through comprehensive communication and facilitating measures in Member States in order to allow a smooth and easy transition to pan-European credit transfers and direct debits, in particular for consumers.

(12) It is appropriate to set dates by when all credit transfers and direct debit transactions should comply with those technical requirements, while leaving the market open for further development and innovation.

(13) Separate migration dates should be set in order to take into account the differences between credit transfers and direct debits. Union-wide credit transfers and direct debits
do not have the same level of maturity, since a direct debit is a more complex instrument than a credit transfer and, consequently, migration to Union-wide direct debits requires significantly more resources than migration to Union-wide credit transfers.

(14) Regulation of multilateral interchange fees (MIF) for direct debits is essential to create neutral conditions of competition between the payment service providers and so to permit the development of a single market for direct debits. Per transaction MIF for direct debit restrict competition between payees banks and inflate the charges such banks impose on payees and thus lead to hidden price increases to payers. Whilst no or limited objective efficiencies have been demonstrated for per transaction MIF, such fees for transactions which are rejected, refused, returned or reversed because they cannot be properly executed (R-transactions) could help to allocate costs efficiently within the single market. Therefore, it would appear beneficial for the creation of an effective European direct debit market to prohibit per transaction MIF. Nevertheless, R-transaction should be allowed, provided that they comply with certain conditions. In any event, rules should be without prejudice to the application of Articles 101 and 102 of the TFEU to multilateral interchange fees for R-transactions.

(15) Therefore, the possibility to apply per transaction MIF for national and cross-border direct debits should be limited in time and general conditions should be laid down for the application of interchange fees for R-transactions.

(16) In some Member States, there are certain legacy payment instruments which are credit transfers or direct debits but which have very specific functionalities, often due to historical or legal reasons. The transaction volume of such products is usually marginal; they could therefore be classified as niche products. A transitional period for such niche products, sufficiently long to minimise the impact of the migration on payment service users, should help both sides of the market to focus first on the migration of the bulk of credit transfers and direct debits, thereby allowing the majority of the potential benefits of an integrated payments market in the Union to be reaped earlier.

(17) For the practical functioning of the internal market in payments it is essential to ensure that payers such as businesses or public authorities are able to send credit transfers to payment accounts held by the payees with payment service providers which are located in other Member States and reachable in accordance with this Regulation.

(18) Competent authorities should be empowered to fulfil their monitoring duties efficiently and to take all necessary measures to ensure that payment service providers comply with this Regulation.

(19) It is necessary that Member States lay down effective, proportionate and dissuasive penalties in national law for failure to comply with this Regulation.

(20) In order to ensure that redress is possible where this Regulation has been incorrectly applied, Member States should establish adequate and effective out-of-court complaint and redress procedures for settling any dispute arising therefrom.

(21) It is desirable that the Commission present a report on the effectiveness of the provisions of this Regulation.
The Commission should be empowered to adopt delegated acts in accordance with Article 290 of the Treaty in respect of the update of the technical requirements for credit transfers and direct debits.

Since payment service providers from Member States outside the euro area would need to undertake more preparatory work, such payment service providers should be allowed to defer the application of these technical requirements for a certain period.

In order to enhance legal security it is appropriate to align the deadlines for interchange fees set out in Articles 6 and 7 of Regulation (EC)°No 924/2009 with the provisions laid down in this Regulation.

Regulation (EC)° No 924/2009 should be amended accordingly.

Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data governs the processing of personal data carried out pursuant to this Regulation.

Financial messages relating to payments and transfers in the SEPA are outside the scope of the EU-US Agreement of 8 July 2010 on the processing and transfer of Financial Messaging Data for the purposes of the Terrorist Finance Tracking Program.

Since the objectives of this Regulation cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Article 1
Subject matter and scope

1. This Regulation lays down rules for the execution of credit transfer and direct debit transactions denominated in euros within the Union where both the payer’s payment service provider and the payee’s payment service provider are situated within the Union, or where the sole payment service provider in the payment transaction is located in the Union.

2. This Regulation shall not apply to the following:

   (a) payment transactions carried out internally within payment service providers as well as payment transactions between payment service providers for their own account

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(b) payment transactions processed and settled through large value payment systems for which both the original initiator and the final recipient of the payment is a payment service provider

(c) payment transactions through a payment card, including cash withdrawals from a payment account, if they do not result in a credit transfer or direct debit to or from a payment account identified by the basic bank account number (BBAN) or the international bank account number (IBAN)

(d) payment transactions through means of any telecommunication, digital or IT device, if they do not result in a credit transfer or direct debit to or from a payment account identified by BBAN or IBAN

(e) money remittance transactions where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.

3. Where payment schemes are based on payment transactions by credit transfers or direct debits but have additional features, this Regulation shall apply only to the underlying credit transfers or direct debits.

Article 2
Definitions

For the purposes of this Regulation, the following definitions shall apply:

(1) 'credit transfer' means a payment service for crediting a payee’s payment account, where a payment transaction or a series of payment transactions is initiated by the payer on the basis of the consent given to his payment service provider

(2) 'direct debit' means a payment service for debiting a payer’s payment account, where a payment transaction is initiated by the payee on the basis of the payer’s consent

(3) 'payer' means a natural or legal person who holds a payment account and allows a payment order from that payment account

(4) 'payee' means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction

(5) 'payment account' means an account held in the name of one or more payment service users which is used for the execution of payment transactions

(6) 'payment system' means a funds transfer system with formal and standardised arrangements and common rules for the processing, clearing and/or settlement of payment transactions

(7) 'payment scheme' means a set of rules, practices and standards for making payments between the scheme participants, and which is separated from any infrastructure or payment system that supports its operation across and within Member States

'payment service user' means a natural or legal person making use of a payment service in the capacity of either payer or payee, or both.

'payment transaction' means an act, initiated by the payer or by the payee of transferring funds, irrespective of any underlying obligations between the payer and the payee.

'payment order' means any instruction by a payer or payee to his payment service provider requesting the execution of a payment transaction.

'interchange fee' means a fee paid between the payment service providers of the payer and of the payee for each direct debit transaction.

'multilateral interchange fee' means an interchange fee which is subject to a collective agreement between payment service providers.

'BBAN' means a payment account number identifier, which uniquely identifies an individual account with a payment service provider in a Member State and can only be used for national transactions.

'IBAN' means an international payment account number identifier, which uniquely identifies an individual account with a unique payment service provider in a Member State, the elements of which are specified by ISO 13616, set by the International Organization for Standardisation (ISO).

'BIC' means a code that unambiguously identifies a payment service provider, the elements of which are specified by ISO 13616, set by the International Organization for Standardisation (ISO).

'ISO 20022 XML standard' means a standard for the development of electronic financial messages as defined by the International Organisation for Standardisation (ISO), encompassing the physical representation of the payment transactions in XML syntax, in accordance with business rules and implementation guidelines of Union-wide schemes for payment transactions in scope of this Regulation.

### Article 3

Reachability

A payment service provider reachable for a national credit transfer or a direct debit transaction, or both denominated in euro on a given payment account shall be reachable, in accordance with the rules of the payment scheme, for credit transfer and direct debit transactions initiated through a payment service provider located in any Member State.

Article 4
Interoperability

1. Payment service providers shall carry out credit transfers and direct debits under a payment scheme which complies with the following conditions:
   
   (a) its rules are the same for national and cross-border credit transfer and direct debit transactions across and within Member States
   
   (b) the participants in the scheme represent a majority of payment service providers within a majority of Member States.

2. Payment systems and, where applicable, payment schemes shall be technically interoperable through the use of standards developed by international or European standardisation bodies.

3. The processing of credit transfers and direct debits shall not be hindered by technical obstacles.

Article 5
Requirements for credit transfer and direct debit transactions

1. By [insert concrete date 12 months after entry into force of this Regulation] at the latest, credit transfers shall be carried out in accordance with the technical requirements set out in points 1 and 2 of the Annex.

2. By [insert concrete date 24 months after entry into force of this Regulation] at the latest, direct debits shall be carried out in accordance with Article 6 and the technical requirements set out in points 1 and 3 of the Annex.

3. Notwithstanding paragraphs 1 and 2, Member States may set earlier dates than those referred to in paragraphs 1 and 2.

4. The Commission may amend the Annex in order to take account of technical progress and market developments. Those measures shall be adopted by means of delegated acts in accordance with the procedure laid down in Article 12.

Article 6
Interchange fees for direct debit transactions

1. Without prejudice to paragraph 2, no multilateral interchange fee per direct debit transaction or other agreed remuneration with an equivalent object or effect shall apply to direct debit transactions.

2. For direct debit transactions which cannot be properly executed by a payment service provider because the payment order is rejected, refused, returned or reversed (R-transactions) carried out by payment service providers, a multilateral interchange fee may be applied provided that the following conditions are complied with:
(a) the arrangement shall be aimed at efficiently allocating costs to the party that has caused the R-transaction, while taking into account the existence of transaction costs and the aim of consumer protection

(b) the fees shall be strictly cost based

(c) the level of the fees shall not exceed the actual costs of handling an R-transaction by the most cost-efficient comparable payment service provider that is a representative party to the multilateral arrangement in terms of volume of transactions and nature of services

(d) the application of the fees in accordance with points (a), (b) and (c) shall prevent the payment service providers to charge additional fees related to the costs covered by these interchange fees to their respective payment service users

(e) there must be no practical and economically viable alternative to the collective agreement which would lead to an equally or more efficient handling of R-transactions at equal or lower cost to consumers.

For the purposes of the first subparagraph, only cost categories directly and unequivocally relevant to the handling of the R-transaction shall be considered in the calculation of the R-transaction fees. These costs shall be precisely determined. The breakdown of the amount of the costs, including separate identification of each of its components, shall be part of the collective agreement to allow for easy verification and monitoring.

3. Paragraph 1 and the conditions set out in points (a), (b) and (d) of paragraph 2 shall apply also to bilateral and unilateral arrangements that have an equivalent object or effect.

Article 7
Waiver

1. Member States may allow their competent authorities to waive all or some of the requirements set out in paragraphs 1, 2 and 3 of Article 5 until [insert concrete date 36 months after entry into force of this Regulation] for those credit transfer or direct debit transactions with a cumulative market share, based on the official payment statistics published annually by the European Central Bank, of less than 10% of the total number of credit transfer or direct debit transactions respectively, in that Member State.

2. Member States may allow their competent authorities to waive all or some of the requirements set out in paragraphs 1, 2 and 3 of Article 5 until [insert concrete date 60 months after entry into force of this Regulation] for those payment transactions initiated through a payment card at the point of sale which result in direct debit from a payment account identified by BBAN or IBAN.

3. Where a Member State allows its competent authorities to apply the waiver provided for in paragraphs 1 and 2, it shall notify the Commission accordingly by [insert
concrete date 6 months after entry into force of this Regulation]. The Member State shall notify the Commission forthwith of any subsequent change.

Article 8
Payment accessibility

1. A payer using credit transfers to transfer funds from his or her payment account to other payment accounts with payment service providers located in the same Member State shall not refuse to make credit transfers to payment accounts with payment service providers which are located in another Member State and reachable in accordance with Article 3.

2. A payee using direct debits to receive funds on his or her payment account from other payment accounts with payment service providers located in the same Member State shall not refuse to receive direct debits from payment accounts with payment service providers which are located in another Member State and reachable in accordance with Article 3.

Article 9
Competent authorities

1. Member States shall designate as the competent authorities responsible for ensuring compliance with this Regulation either public authorities, or bodies recognised by national law or by public authorities expressly empowered for that purpose by national law, including national central banks. Member States may designate existing bodies to act as competent authorities.

2. Member States shall notify the Commission of the competent authorities referred to in paragraph 1 by [insert concrete date 6 months after entry into force of this Regulation]. They shall notify the Commission without delay of any subsequent change concerning those authorities.

3. Member States shall ensure that the competent authorities referred to in paragraph 1 have all the powers necessary for the performance of their duties. Where there is more than one competent authority for matters covered by this Regulation on its territory, Member States shall ensure that those authorities cooperate closely so that they can discharge their respective duties effectively.

4. The competent authorities shall monitor compliance with this Regulation effectively and take all necessary measures to ensure such compliance.

Article 10
Penalties

Member States shall, by [insert concrete date 6 months after entry into force of this Regulation], lay down rules on the penalties applicable to infringements to this Regulation and shall take all measures necessary to ensure that they are implemented. Such penalties shall be effective, proportionate and dissuasive. Member States shall notify the Commission of those provisions by [insert concrete date 12 months after entry into force of this Regulation] and shall notify it without delay of any subsequent amendment affecting them.
**Article 11**

Out-of-court complaint and redress procedures

1. Member States shall establish adequate and effective out-of-court complaint and redress procedures for the settlement of disputes arising under this Regulation between payment service users and their payment service providers. For those purposes, Member States shall designate existing bodies, where appropriate, or set up new bodies.

2. Member States shall notify the Commission of the bodies referred to in paragraph 1 by [insert concrete date 6 months after entry into force of this Regulation]. They shall notify the Commission without delay of any subsequent change concerning those bodies.

**Article 12**

Exercise of delegated powers

1. The powers to adopt the delegated acts referred to in Article 5(4) shall be conferred on the Commission for an indeterminate period of time. Where imperative grounds of urgency so require, Article 15 shall apply.

2. As soon as it adopts a delegated act, the Commission shall simultaneously notify the European Parliament and the Council of that act.

3. The powers to adopt delegated acts are conferred on the Commission subject to the conditions laid down in Articles 13 and 14.

**Article 13**

Revocation of the delegation

1. The delegation of power referred to in Article 5(4) may be revoked at any time by the European Parliament or by the Council.

2. The institution which has commenced an internal procedure for deciding whether to revoke the delegation of power shall endeavour to inform the other institution and the Commission within a reasonable time before the final decision is taken, indicating the delegated powers which could be subject to revocation and the reasons for a revocation.

3. The decision of revocation shall put an end to the delegation of the powers specified in that decision. It shall take effect immediately or at a later date specified therein. It shall not affect the validity of the delegated acts already in force. It shall be published in the *Official Journal of the European Union*. 
Article 14
Objections to delegated acts

1. The European Parliament and the Council may object to the delegated act within a period of two months from the date of notification. At the initiative of the European Parliament or the Council this period shall be extended by one month.

2. If, on expiry of that period, neither the European Parliament nor the Council has objected to the delegated act, it shall be published in the *Official Journal of the European Union* and shall enter into force on the date stated in its provisions.

The delegated act may be published in the *Official Journal of the European Union* and enter into force before the expiry of that period if the European Parliament and the Council have both informed the Commission of their intention not to raise objections.

3. If the European Parliament or the Council objects to the adopted delegated act, it shall not enter into force. The institution which objects shall state the reasons for objecting to the delegated act.

Article 15
Urgency procedure

1. A delegated act adopted under the urgency procedure shall enter into force without delay and apply as long as no objection is expressed in accordance with paragraph 2. The notification of the act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

2. The European Parliament and the Council may within a period of six weeks from the date of notification object to the delegated act. In such a case, the act shall cease to be applicable. The institution which objects shall state the reasons for objecting to the delegated act.

Article 16
Review

By [insert concrete date 3 years after entry into force], the Commission shall present to the European Parliament, the Council, the European Economic and Social Committee and the European Central Bank a report on the application of this Regulation accompanied, if appropriate, by a proposal.

Article 17
Transitional provisions

1. Payment service providers located in a Member State which does not have the euro as its currency shall comply with Article 3 by 31 October 2014. If, however, the euro is introduced as the currency of any such Member State before 1 November 2013, the payment service provider located in that Member State shall comply with Article 3
within one year of the date on which the Member State concerned joined the euro area.

2. Payment service providers located in a Member State which does not have the euro as its currency shall comply with the requirements set out in Article 4 and in points 1 and 2 of the Annex for credit transfers denominated in euros and with the requirements set out in Article 4 and in points 1 and 3 of the Annex for direct debit transactions denominated in euros by [insert concrete date month) 4 years after entry into force of this Regulation]. If, however, the euro is introduced as the currency of any such Member State before [insert concrete date 3 years after entry into force of this Regulation], the payment service provider located in that Member State shall meet those requirements within one year of the date on which the Member State concerned joined the euro area.

**Article 18**

Amendment of Regulation (EC) No 924/2009

Regulation (EC) No 924/2009 is amended as follows:

1. In Article 6 and the words, "before 1 November 2012" are replaced by the following: "before [insert concrete date 24 months after entry into force of this Regulation]."

2. Article 7 is amended as follows:

   (a) in paragraph 1, the words "before 1 November 2012" are replaced by the following: "before [insert concrete date 24 months after entry into force of this Regulation]."

   (b) in paragraph 2, the words "before 1 November 2012" are replaced by the following: "before [insert concrete date 24 months after entry into force of this Regulation]."

   (c) in paragraph 3, the words "before 1 November 2012" are replaced by the following: "before [insert concrete date 24 months after entry into force of this Regulation]."

3. Article 8 is deleted.

**Article 19**

Entry into force

This Regulation shall enter into force on the day following that of its publication in the **Official Journal of the European Union.**
This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President
ANNEX

TECHNICAL REQUIREMENTS (ARTICLE 5)

(1) The following technical requirements shall apply to both credit transfer and direct debit transactions:

(a) Payment service providers and payment service users shall use the IBAN for the identification of payment accounts regardless of whether both the payer’s payment service provider and the payee’s payment service provider are or the sole payment service provider in the payment transaction is, located in the same Member State or whether one of the payment service providers is located in another Member State.

(b) Payment service providers shall use message formats based on ISO 20022 XML standard when transmitting payment transactions to another payment service provider or a payment system.

(c) Where a payment service user initiates or receives individual transfers of funds which are bundled together for transmission, message formats based on ISO 20022 XML standard shall be used.

(d) The remittance data field shall allow for 140 characters. Payment schemes may allow for a higher number of characters, except if the device used to remit information has technical limitations related to the number of characters, in which case the technical limit of the device shall apply.

(e) Remittance reference information and all the other data elements provided in accordance with points 2 and 3 of this Annex, shall be passed in full and without alteration between payment service providers throughout the payment chain.

(f) Once data is available in electronic form payment transactions must allow for a fully automated, electronic processing in all process stages throughout the payment chain (end-to-end straight through processing), enabling the entire payment process to be conducted electronically without the need for re-keying or manual intervention. This shall also apply to exceptional handling of credit transfer and direct debit transactions, whenever possible.

(g) Payment schemes shall not set any minimum threshold for the amount of the payment transaction allowing for credit transfers and direct debits.

(h) Payment schemes shall not be obliged to carry out credit transfers and direct debits exceeding the amount of EUR 999 999 999,99.

(2) In addition to the requirements referred to in point (1), the following requirements shall apply to credit transfer transactions:

(a) A payee accepting credit transfers shall communicate its IBAN and the BIC of its payment service provider to its payers, every time a credit transfer is requested.
(b) The following mandatory data elements shall be provided by the payer to his or her payment service provider and passed along the payment chain to the payee in accordance with the obligations laid down in the national law implementing Directive 95/46/EC:

(i) the name of the payer and/or the IBAN of the payer’s account
(ii) the amount of the credit transfer
(iii) the IBAN of the payee’s account
(iv) the name of the payee
(v) the remittance information, if any.

(c) In addition, the following mandatory data elements shall be provided by the payer’s payment service provider to the payee’s payment service provider:

(i) the BIC of the payer’s payment service provider (if not agreed otherwise by the payment service providers involved in the payment transaction)
(ii) the BIC of the payee’s payment service provider (if not agreed otherwise by the payment service providers involved in the payment transaction)
(iii) the identification code of the payment scheme
(iv) the settlement date of the credit transfer
(v) the payer’s payment service provider reference number of the credit transfer message.

(3) In addition to the requirements referred to in point (1), the following requirements shall apply to direct debit transactions:

(a) Only once before the first direct debit transaction, a payer shall communicate its IBAN and, where applicable, the BIC of its payment service provider to its payee.

(b) With the first direct debit transaction and one-off direct debit transactions and with each subsequent direct debit transaction, the payee shall send the mandate-related information to his or her payment service provider. The payee’s payment service provider shall transmit such mandate related information to the payer’s payment service provider with each direct debit transaction.

(c) A payer shall have the possibility to instruct his or her payment service provider to limit a direct debit collection to a certain amount or periodicity, or both.

(d) Where the agreement between the payer and the payee excludes the right to a refund, the payer’s payment service provider shall, at the payer’s request, check each direct debit transaction, to see whether the amount of the submitted
(e) The payer shall have the option of instructing his or her payment service provider to block any direct debits to the payer’s account or to block any direct debits coming from one or more specified payees or to authorise direct debits only coming from one or more specified payees.

(f) Consent shall be given both to the payee and to the payment service provider of the payer (directly or indirectly via the payee) and the mandates, together with later modifications and/or cancellation, shall be stored by the payee or by a third party on behalf of the payee.

(g) The following mandatory data elements shall be provided by the payee to his payment service provider and passed along the payment chain to the payer:

(i) the type of direct debit (recurrent, one-off, first, last or reversal)

(ii) the name of the payee

(iii) the IBAN of the payment account of the payee to be credited for the collection

(iv) the name of the payer

(v) the IBAN of the payment account of the payer to be debited for the collection

(vi) the unique mandate reference

(vii) the date of signing of the mandate

(viii) the amount of the collection

(ix) the unique mandate reference as given by the original payee who issued the mandate (if the mandate has been taken over by another payee than the payee who issued the mandate)

(x) the identifier of the payee

(xi) the identifier of the original payee who issued the mandate (if the mandate has been taken over by a payee other than the payee who issued the mandate)

(xii) the remittance information from the payee to the payer, if any.

(h) In addition, the following mandatory data elements shall be provided by the payee’s payment service provider to the payer’s payment service provider:

(i) the BIC code of the payee’s payment service provider (if not agreed otherwise by the payment service providers involved in the payment transaction)
(ii) the BIC code of the payer’s payment service provider (if not agreed otherwise by the payment service providers involved in the payment transaction)

(iii) the name of the payer reference party (if present in dematerialised mandate)

(iv) the identification code of the payer reference party (if present in dematerialised mandate)

(v) the name of the payee reference party (if present in the dematerialised mandate)

(vi) the identification code of the payee reference party (if present in dematerialised mandate)

(vii) the identification code of the payment scheme

(viii) the settlement date of the collection

(ix) the payee’s payment service provider’s reference for the collection

(x) the type of mandate

(xi) the due date for the collection.